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December 2, 1976

TO: P - Mr. Habib

FROM: IO - Donald R. Toussaint, Acting

Your Meeting with Daniel L. Horowitz, U.S.
Representative on the Governing Body of the
ILO, Friday, December 3, 1976 - 3:00pm

PARTICIPANTS

Philip C. Habib
Daniel L. Horowitz

S/I - Date given

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You may find the following information useful for your meeting with Mr. Horowitz on December 3.

1. Status Report on Our Relations with the ILO

The two-year notice period of our intention to withdraw from the ILO ends November 6, 1977 and we expect to make our decision about staying in or getting out after the annual ILO conference in June 1977. The major issues at that conference will probably be the handling of the Arab-Israeli problem (see paragraph 2 below) and the success of our effort to amend Article 17 of the ILO Standing Orders to prevent introduction of political resolutions.

The Cabinet-level Committee (CLC), chaired by the Secretary of Labor, will meet January 4, 1977, to assess developments of the last six months. At the July 21 meeting of the CLC, Lane Kirkland, Vice President of the AFL-CIO, said that we were no nearer to a decision to stay in the ILO than we had been when we decided a year earlier to send the letter of intent to withdraw. He added that at best it was 50-50 whether we would stay in or get out.

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A tough and perhaps unanswerable question is whether the support our reform effort has received from Western democracies (all of whom want us to stay in the ILO) is primarily a reaction to our threat to withdraw, or whether it represents genuine agreement with our objectives which will continue if the threat of withdrawal disappears. It would be unfortunate for our relations with the ILO, with other members of the UN system, and with our Western allies if we stayed in the ILO and then were confronted with the same lack of support on matters of principle which led us to give notice of intent to withdraw. This question has been discussed informally by Mr. Horowitz with some Western governments but there is presumably no way to find out what is the underlying motivation for the support they have been giving us.

2. Results of the November 1976 Governing Body (GB)

A. Setback for US. The US suffered a serious setback in its efforts to bring to an end the Director General's (DG) involvement in investigating Arab charges of Israeli discrimination against Arab workers in the occupied territories. (Background: The June 1974 conference passed a resolution condemning Israel and asking the DG to correct the situation. Since that time the DG has been collecting information and reporting to the Governing Body. The US position is: the resolution was a denial of due process; investigation which comes after condemnation is a tainted procedure; and the Governing Body should decide to drop the whole matter.) At our suggestion, the DG's report to the November session of the GB stated he could do nothing further, and the officers of the Governing Body endorsed his recommendation to close the book.

We had sufficient support from the workers, the employers, and Western government representatives to achieve our objective, but at the last minute the Arabs requested the whole issue be postponed. They put pressure on the employers (who are always sensitive to Arab initiatives), and all but the US employer agreed to postponement. Without their support, there was no possibility of getting a vote in the Governing Body which would close the book, and the Western government representatives

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proved unwilling to stand with us when they knew we would be defeated. (This contrasts with their willingness to stand with us in defeat in June 1976 in opposing observer status for the PLO at the World Employment Conference.) This attitude and the last-minute collapse of the employer group caught us by surprise and we reluctantly acquiesced in the postponement. The Arabs now have time to muster G-77 support for anti-Israeli moves at the next GB session in February or, worse still, postpone the issue once more until the June 1977 conference.

B. Sri Lankan Threat. Another startling event at the November GB was a 35-minute polemic by the Sri Lankan Government representative "on behalf of the G-77" in which he said the G-77 countries can negotiate from a position of strength now that they have nuclear weapons. (We have received the verbatim transcript of his remarks on a very confidential basis from the ILO Secretariat -- and are considering what action should be taken.)

3. Results of Mr. Horowitz' Asian Trip

The Cabinet-level Committee decided July 21, 1976 to reach out to developing country members of the ILO by having Mr. Horowitz conduct consultations similar to those held earlier this year with industrialized countries by Special Presidential Envoy, Ambassador Silberman.

The first round involved visits to Israel, Iran, India, Pakistan, Sri Lanka, Indonesia, Singapore, Malaysia, and the Philippines. In terms of the issues discussed during his October visits, he got the following reactions:

a. US in the ILO. Each country urged us to stay in. Most expressed "full agreement in principle" with the US on ILO issues and an intention to work to preserve the ILO from further debilitation and to keep the US in. There were no commitments made to us, however -- not even to vote with the US should controversial political issues arise in the ILO despite efforts to keep them out.

b. Revision of Article 17. Mr. Horowitz argued in favor of changing the standing orders of the ILO conference to exclude irrelevant and unsubstantiated condemnatory resolutions. The best reaction (Iran) was a promise of

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"sympathetic consideration"; others were more blunt (e.g. India), stating this idea would go nowhere, that the US must be "realistic", and that the diversity of interests in the ILO required "flexibility" on our part.

4. Plans for Mr. Borowitz' African Trip

The next round is scheduled for Africa January 8-30, with stops in Sudan, Kenya, Zambia, Tanzania, Zaire, Nigeria, Ghana, Ivory Coast, Liberia, Sierra Leone and Senegal. Subsequent trips to Latin America, the Middle East and Europe are projected.

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